

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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BRYCE YOKOMIZO
Director



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July 22, 2004

TO: Each Supervisor

A handwritten signature in black ink, appearing to read 'Bryce Yokomizo', written over the 'TO:' line.

FROM: Bryce Yokomizo, Director

SUBJECT: **MEDI-CAL PROGRAM UPDATE**

This is to update your Board on activities I reported to you on December 10, 2003. I advised you at that time of a decrease in the Medi-Cal caseload resulting from reconciliation of the State's Medi-Cal Eligibility Data System (MEDS) and our County LEADER system, and audits of our Medi-Cal cases which showed poor performance in documenting and completing annual eligibility "redetermination" reviews.

LEADER/MEDS Reconciliation

Los Angeles County aids over 1.3 million people on the Medi-Cal Assistance Only program. Eligibility for these individuals is tracked and maintained on our County LEADER database. The State uses its MEDS database to track Medi-Cal cases statewide. County and State databases should be regularly reconciled to ensure accuracy. However, subsequent to LEADER implementation, the two systems had not been reconciled for five years, pending software interface development.

The reconciliation was completed in March 2004. This resulted in the termination of approximately 100,000 person records from the State MEDS system. Advance written notices were sent to each impacted person, and a DPSS hotline was established to ensure that no eligible person was terminated. Only 1,338 formal appeals were filed, and each one received continuing Medi-Cal eligibility while a determination of aid was made by eligibility staff.

A second LEADER/MEDS reconciliation was completed at the end of May, with only 6,689 participants terminated from MEDS effective June 30, 2004. From this point forward, reconciliations will be conducted on a regular quarterly basis to keep both the County and State Medi-Cal data systems in synch.

"To Enrich Lives Through Effective And Caring Service"

Audits of Medi-Cal Cases

As previously reported to you, State audits for June 2002 indicated that DPSS had completed annual eligibility redeterminations on only 44% of reviewed cases. Internal DPSS audit reviews also showed that our cases frequently lacked required eligibility documentation.

The State has currently contracted with PricewaterhouseCoopers (PwC) to conduct audits in Los Angeles County relative to the Medicaid 1115 waiver terms and conditions. PwC is reviewing Medi-Cal cases back to years 2000 through 2002. Initial draft reports indicate non-compliance with eligibility redetermination and case documentation standards.

The PwC audit review encompasses all of the Medicaid 1115 waiver terms and conditions as they apply to primarily DHS, but also DPSS and DMH. DPSS compliance issues are the number of certified eligibles on MEDS, and the number of staff conducting outreach in the clinics and hospitals. PwC expects to have a report to the State by early August. In the interim, we are working closely with DHS, Mental Health, and County Counsel to develop a comprehensive County response to issues raised in the audit.

Corrective Action Plan

We have taken corrective action to improve our performance in the Medi-Cal Program. Current audits conducted by both CDHS and my departmental staff show a marked improvement in completed redeterminations. Since October of last year, we have exceeded a 90% completion rate in each month. Additionally, we have implemented the following measures that will ensure that the required documentation is on file for each case and managers are held accountable for oversight of the program.

- Established a quality control unit to provide statistically valid audits in the areas of case management, redeterminations, eligibility documentation, and correct notices of action.
- Added Medi-Cal eligibility staff and improved management accountability for case management in the Medi-Cal Program.
- Established the Medi-Cal Improvement Program, which is an initiative similar to the action we took to bring down the Food Stamp error rate.

I will keep your Board advised of our progress in these areas.

BY:rk

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
Auditor-Controller
County Counsel
Health Services